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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report

Supervisor JOE

Minerals Regulatory Program
December 26, 2006

Mine Name: Pearl Queen Perlite Mine
Operator Name: Basin Perlite Company
C/o Brian Dowlan
1400 16th ST. STE. 200
Denver, Colorado 80202
Inspector(s): Tom Munson
Other Participants: none
Mine Status: regraded and seeded, parts are inactive

Permit number: M0010027
Inspection Date: 10/04/2006

Time: 2PM

Weather: Sunny

Elements of Inspection

	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

To inspect the site and determine if the areas that were regraded and seeded were successful.

Directions to Site:

The site is located East of the Geothermal Power Plant North of Milford, Utah

Inspection Summary:

The site was regraded on 1/12/2006 and seeded on 1/20/2006. This inspection revealed that the seeding did not take this year and all that was growing was tumble weeds.

Conclusions and Recommendations:

It is the recommendation of the Division's biologist after reviewing when the site was reclaimed and the outcome of the seeding that the Division look at the site next spring and summer and determine if the seeding is successful. If it appears not to be successful then it would be necessary for the operator to rip and reseed in the fall of 2007.

Inspector's Signature

Thomas Munson

Date:

12/26/06

tm:pb

cc: Operator
Photos

O:\M001-Beaver\M0010027-PearlQueen\inspections\insp-10042006.doc

0002

M/001 /027



10/4/2006

TUMBLE WEED



BASIN PERLITE COMPANY

BASIN PERLITE COMPANY



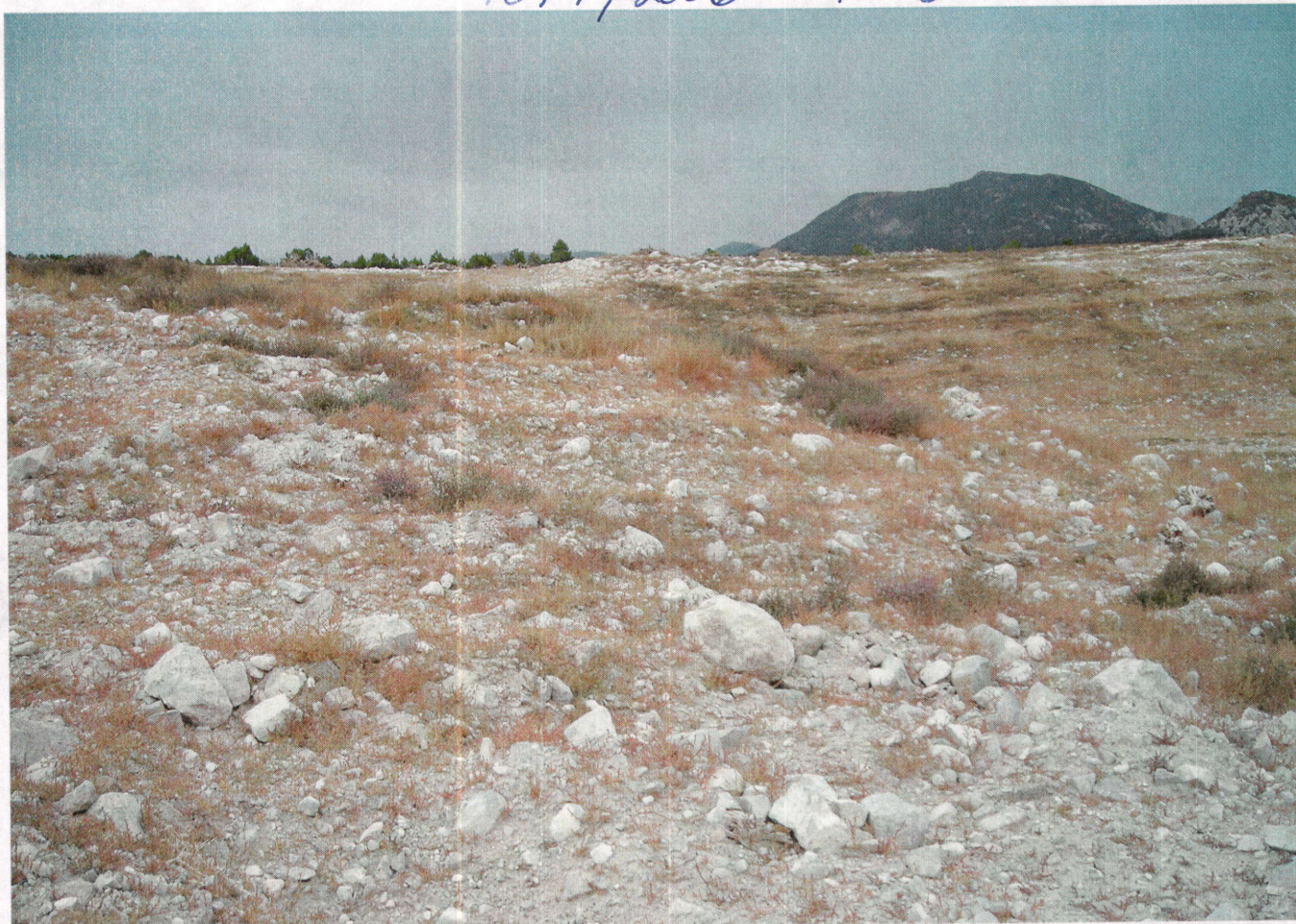
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TUMBLEWEED

PEARL QUEEN PERLITE MINE



10/4/2006 TUMBLEWEED



0011/027

BASIN PERLITE COMPANY

State of Utah
Division of Oil Gas & Mining
Mining/Exploration Summary

11/01/2006

LARGE MINING OPERATIONPermt # **M010027**Name: **PEARL QUEEN PERLITE MINE****Permit Status**

Status: **APP** Approved:
Recieved: **02/07/1996** **08/05/1997**
Tent Appr: / /

Mine Status

Status: **ACT**
Date: **09/04/1998**

Ownership

Surface: **BLM/STATE**
Mineral: **BLM/STATE**

Location

UTMX: **340,739**
UTMY: **4,261,596**

MethodsMinerals Mined/Explored: **PERLITE - PUMICE**Surf/Under: **SURFACE**

Methods Used:

Bonding

Approved Acres	Acres Released	Date Released
29	0	/ /
Bond Type		
CD 'S - 7400120973 & 7400121013		
Bond Amount:	Date Bond Expires:	
\$ 101,661	11/10/2007	

Permit Fees

Date Sent	Date Received
06/23/2006	07/27/2006
Fee Received	Cash Receipt
\$ 500	72000000005
Delinquent Notice	
/ /	

Comments:

2/16/2006 - Rec'd letter from operator, operator provided 6 photos of reclamation work done.

1/12/2006 - Inspection performed. Performed a pre-inspection regarding the reclamation of the Pearl Queen Pit and to provide advice regarding proper reclamation methods.

7/11/2005 - Rec'd 2005 billing statement back from operator requesting it be forwarded to John Ruckman, RCF, Suite 200 1400 16th St, Denver CO 80202, 720-946-1456. Basin Perlite is no longer and Harborlite/World Minerals has bought the mill, but have no interest or anything to do with the mine. Resent billing statement.

3/22/2005 - Received (via fax) 2004 annual report. Apologizes for submitting the report late, but Basin Perlite is in the process of being

Last ActionAction: **05 FEE**Start Date: **06/28/2005**End Date: **07/21/2005**

Fee \$500 - Receipt # 6NROG000005

Last InspectionDate **01/12/2006**Inspector **TM**

Purpose of Inspection:

To perform a pre-inspection regarding the reclamation of the Pearl Queen Pit and to provide advice regarding proper reclamation methods.

Last Annual Report 2004Acreage: **22.0**Acr Reclaimed: **7.0**Production: **3,,20, ST****Last Agency Action**Agency: **SITLA**Agency ID: **ML 3092**Date: **/ /****Operator BASIN PERLITE COMPANY**Oper Id: **1029**TaxID **84-1518463**Contact: **TIM HALL**Address: **1400 16TH ST STE 200**Phone: **(720) 946-1456**

Fax

E-Mail **jdr@rcflp.com****DENVER CO 80202**

11/3/2005 - Brain Dowlan 702-946-1455

Location

Qqqr	Qqtr	Qtr	Section	Township	Range	Merid	Quad Sheet
	NE	SE	02	S27.0	W09.0	S	bearskin mountain
	SE	SW	02	S27.0	W09.0	S	bearskin mountain
	SW	SW	01	S27.0	W09.0	S	bearskin mountain